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CAFTA Still Critical

Six Latin American presidents made an unprecedented joint trek to the Capitol this week in a last-ditch effort to drum up support for the Central American Free Trade Agreement. But the protectionist mood sweeping much of the nation appears to have infected all too many of Washington's political elites.

At risk is America's global economic leadership, which some lawmakers seem all too willing to trade away for support from Big Labor, environmental groups and especially the sugar lobby. Because it is having trouble mustering the votes for passage, the White House has in recent days taken to reminding Congress that CAFTA is also necessary to help secure democracy and development in a region wracked by civil war, drugs, human trafficking and economic stagnation over the past two decades.

Interestingly enough, this same argument - that CAFTA is good for our own national security - is being made by a conga line of diplomats from both political parties, including former Secretary of State Warren Christopher, former defense secretaries William Cohen and William Perry, Bill Clinton's special envoy to the Americas, Tho mas McLarty, and Jimmy Carter's trade representative Robert Strauss, to name but a few.

CAFTA would end duties on 80 percent of the $15 billion in U.S. exports to the 44 million consumers of Costa Rica, Honduras, El Salvador, Guatemala, Nicaragua, and the Dominican Republic in the Caribbean. Currently, those countries levy average tariffs ranging from 10 percent to 20 percent on a host of U.S. goods such as motor vehicles, grain and meat, while the U.S. rate is zero.

The U.S. Chamber of Commerce predicts U.S. sales to the region could expand by more than $3 billion in the first year once CAFTA tariff limits take effect. The American Farm Bureau estimates agriculture exports - about $1.6 billion in 2003 - would grow $1.5 billion a year. Winners would include Colorado's feed, potato, grain, pork and cattle industries.

If CAFTA fails, it will be in part because the powerful U.S. sugar lobby has plied Capitol Hill with a fictional doomsday scenario in which the trade pact destroys the domestic industry. The truth is American sugar import quotas would rise by a scant 1 percent of the total U.S. market in the first year, and ascend over the next 15 years to a whopping 1.7 percent. What's really at stake for the sugar industry is prices that are two to three times the world market.

Democrats are leading the assault on CAFTA, claiming the pact's requirement that the countries enforce their own labor and environmental standards is too weak. But this objection ignores the fact that wherever U.S. companies plant themselves in the world, labor and environmental standards invariably rise over time.

Voting CAFTA down would surely deal a blow to Central America's reform-minded political leaders. But defeat would also mean the loss of new markets for U.S. workers and farmers, a failure that could cripple America's ability to forge more far-reaching trade liberalization in the coming years.